

SOUTH CAROLINA

Healthy Connections

MEDICAID



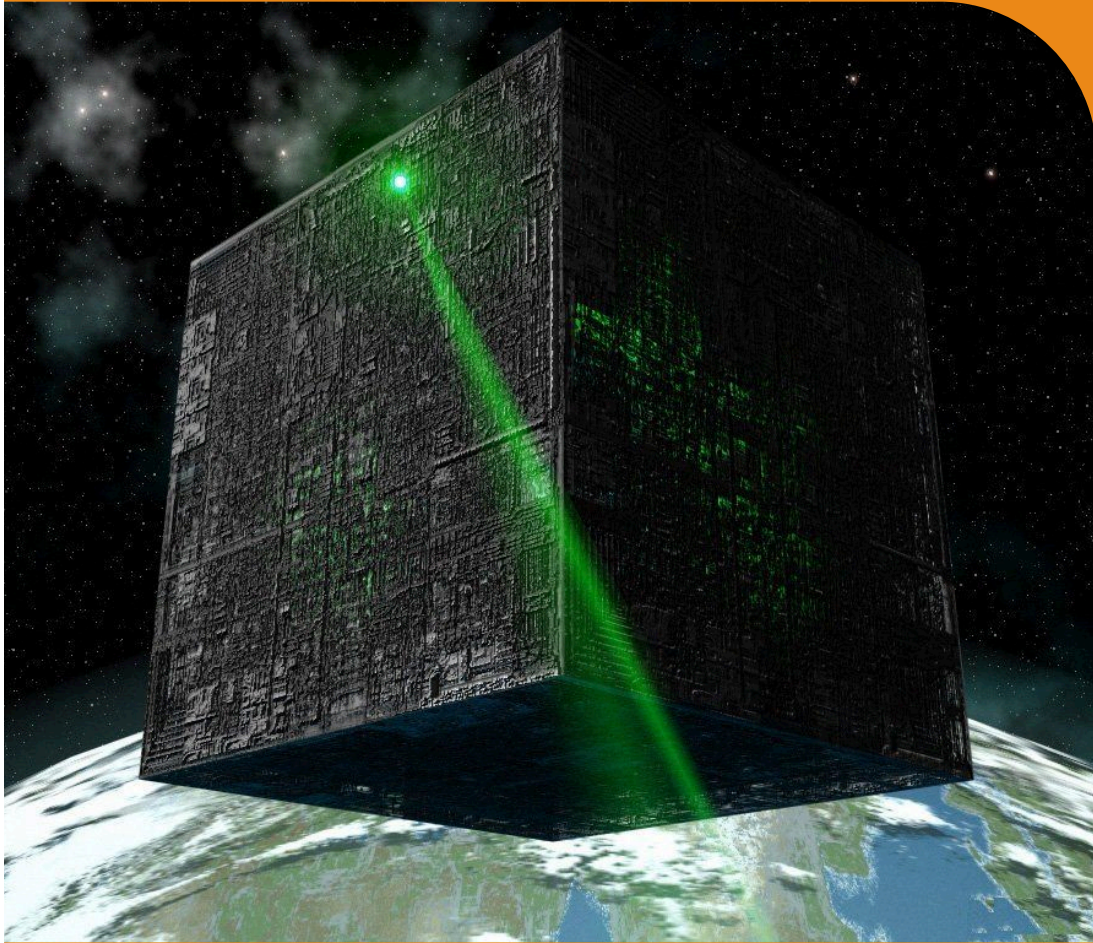
# Next Generation MMIS

*Modular is Hard  
but Possible*

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“We know what we don’t like about buying consolidated product suites: one great product and a bunch of mediocre ones. And we know what we don’t like about buying best-of-breed: multiple vendors, multiple interfaces and multiple products that don’t work well together.”

– Mark Schneier (2014), *Carry On: Sound Advice from Schneier on Security*, from essay titled “Consolidation: Plague or Progress”, March 2008.

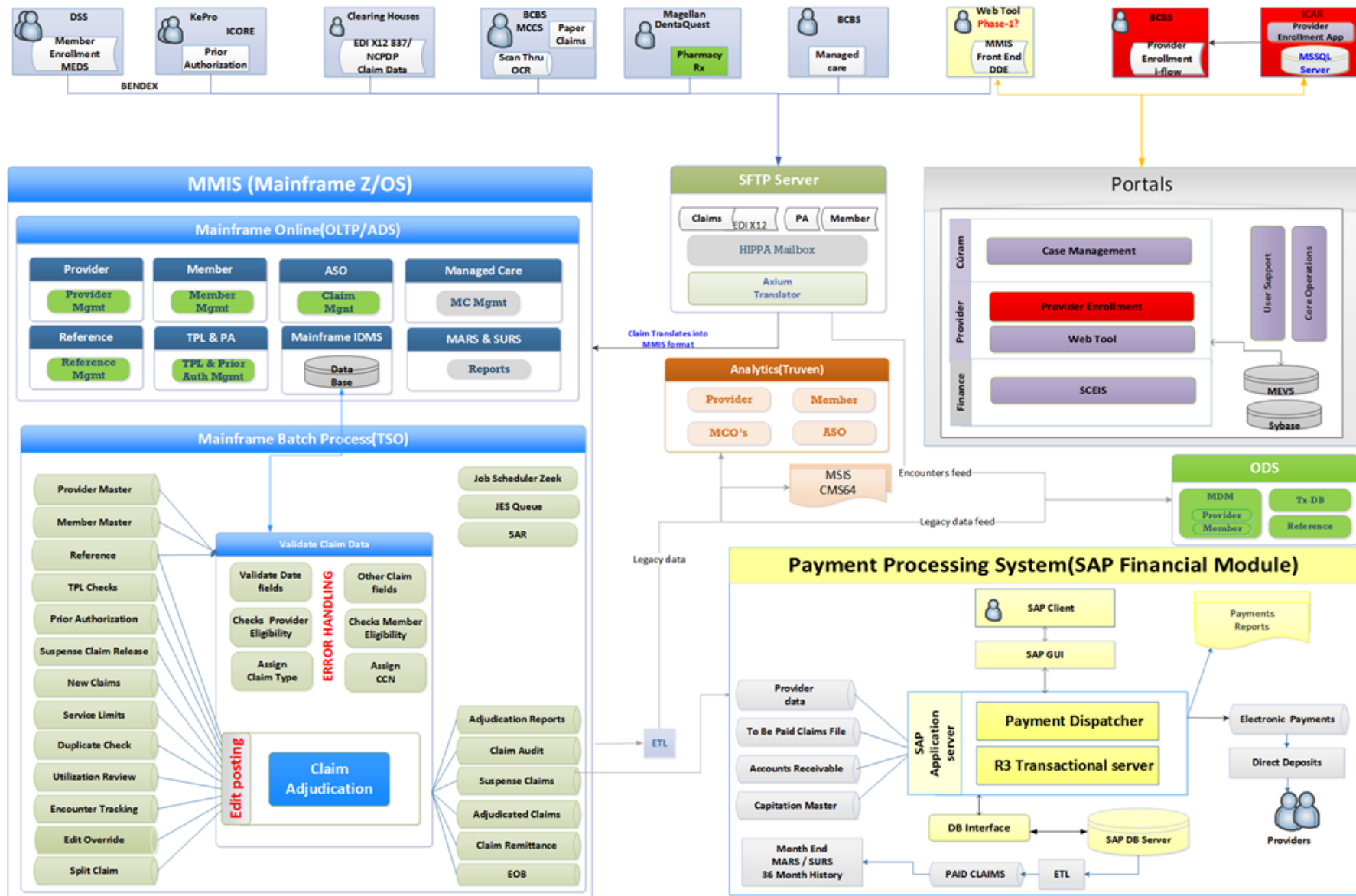


A Single Monolithic System





## AS IS – Phased Transformation(To Be) Architecture Phase-1



To that...

## South Carolina MMIS Strategy

- **Administrative Services (“ASO”)**
- **Reporting & Data Analytics**
- **Operational Data Store (“ODS”)**
- **Provider Enrollment & Management**
- **Finance & Administration**

## Program Principles

- > Support the state's move towards a managed care-centric Medicaid program while finding a cost-effective approach for the FFS population
- > Maintain flexibility, reduce time and cost of implementations
- > Use a modular, componentized approach that incorporates current technology
- > Use configurable Commercial-Off-the-Shelf (COTS) or Software-as-a-Service (SaaS) whenever practical
- > Deliver components incrementally
- > Determine staffing needs and state staff capacity

## Key Shifts in MMIS Needs

- > Shift from claims payment to support of health outcomes and population health analysis
- > Shift from transactional payment focus to management and analysis of patterns and trends
- > Shift from static reports/data/information toward near-real-time dashboard and predictive metrics
- > Shift from silo'd data to enterprise data
- > Shift from departmental processes to lean integrated best-practice operational processes



## ASO Strategy

- > Seek a commercial ASO to manage claims operations for remaining FFS lives
- > View ASO as Software-as-a-Service (SaaS) and Business Process Outsourcing (BPO)
- > Drive approach to get as many vendors as possible who have experience administering insurance programs with at least 100,000 lives

# ASO Demands and Challenges

- > ASO only works if the requirements are truly equivalent to commercial insurance
  - > Need a “market” to drive down cost
  - > Need to fit into existing solutions, not customize to Medicaid needs
- > Requires us to “translate” those things that are unique to Medicaid into commercial insurance
- > Requires us to clearly document payment policies, rules and edits in ways that are usable by commercial claims processors
- > Challenges Medicaid to question policies, processes, and historical assumptions

# Anticipated ASO Procurement/Contract

- > Contract with an ASO/TPA to perform claims processing & provider management operations
  - > Claims adjudication
  - > Prior authorization
  - > Call/contact management
  - > Possible case management
- > Retain control over Medicaid program and enable State staff to focus on program design
  - > Program design and policy development
  - > Business rule development
  - > Definition of reference data
  - > Final claims payment (via state treasurer system)

# Reporting & Analytics

- > Provide tools to shift from cost and counting toward population health and health outcomes
- > Meet reporting (federal/state) reporting requirements
- > Enhance Program Integrity and SURS functions
- > Provide tools for Predictive Analytics and proactive fraud and abuse monitoring
- > Provide robust tools for use with Operational Data Store
- > Exploit data and process integration technologies to develop enterprise-wide real-time solutions
- > Establish sustainable integrated processes to demonstrate continuous efficiency gains

# Reporting & Analytics

- > Support for payment reform with focus on MCO/ASO performance and contract oversight
- > Consideration of program integrity with regard to MCOs and encounters
- > Population focus on improving overall health with effective use of screening, preventative services, etc.
- > Isolation of cross-program “bad actors” to drive fraud, waste and abuse identification
- > Automation of program integrity case life cycles from identification, to verification, to prosecution and recoupment

# Reporting & Analytics Approach Multi-Phase

## SURS & DSS Replacement

- > Reports
- > Algorithms
- > User Interfaces
- > ETL Rules

## ODS Integration

- > Spreadsheets to User Tools/Interface
- > Batch to Real Time
- > Requests to Self-Service

## Enterprise Analytics

- > Quality of Health Outcomes
- > Predictive Analytics
- > Enterprise Fraud, Waste, and Abuse
- > MCO & ASO Payment Integrity
- > Utilization Pattern Analysis
- > HEDIS Certification



# Anticipated Reporting & Analytics Procurement/Contract

- > Determine most effective contract strategy
  - > COTS product(s) (part of enterprise tools)
  - > Implementation labor/resources
  - > Operations labor/resources
- > Increase state analytics self-sufficiency to reduce reliance on available vendor proprietary solutions and data

# Operational Data Store (ODS)

- > Provide near-real-time view of the enterprise
- > Focus on the operational requirements of a particular business process
  - > Customer/stakeholder experience/service
  - > Yesterday/today activities (encounters)
- > Serve as a hub and when needed a transactional repository for enterprise data
- > Enable reporting and analytics over the data available in the ODS and correlate with other systems

# Provider & Finance

## > Provider Approach

- > Building upon work completed in Minnesota's provider challenge
- > Include provider operations with ASO contract
- > Focus on reducing provider burden in registering as a Medicaid provider (FFS and MCOs)

## > Finance Approach

- > Make payments from State's SAP system
- > Handling the uniqueness of Medicaid financing

## What is Hard...

- > Cultural Transformation and Change Management
  - > Clear documentation of processes and procedures
  - > Doing it differently
- > Need for Enterprise Architecture
  - > Drive toward “standard” transactions
  - > Completely new infrastructure
- > Need for Project Management (PMO)
- > Need for Lifecycle Management
  - > Incremental, agile, scrum, waterfall, hybrid...
- > Dependence on Integration
  - > New (and required) state expertise
  - > Core to “managing the enterprise”
  - > Key to modularity and re-use

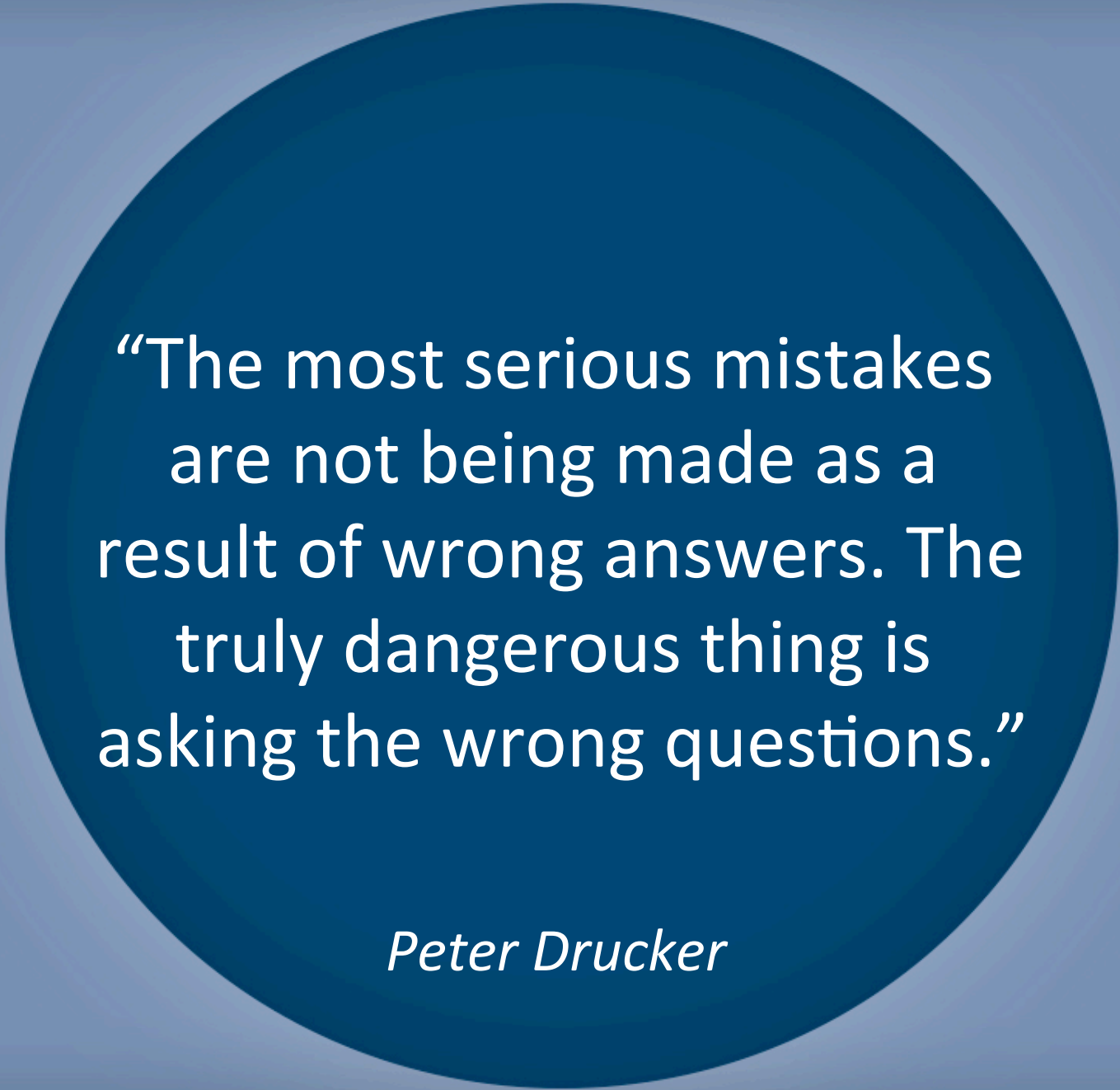
# State Challenges & Opportunities

- > Attracting and Retaining Staff
  - > Knowing enough about technology and program
- > Procurement
  - > Multiple vendors/contracts
  - > Dependencies and timing
- > Integration Points
  - > Multiple vendors/contracts
  - > Dependencies and timing

# CMS/State Challenges & Opportunities

- > Different MMIS Strategy
  - > Not “big bang” or “rip-and-replace”
  - > Incremental release
- > The “ASO” Concept
  - > Balance between “visibility” and “black box”
- > Certification Approach
  - > Potential use of CMS “pilot” to tie XLC





“The most serious mistakes  
are not being made as a  
result of wrong answers. The  
truly dangerous thing is  
asking the wrong questions.”

*Peter Drucker*



A next generation MMIS is  
possible, but it will be hard.